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TWENTIETH
ANNUAL REPORT
OF THE
BOARD OF PUBLIC TRUSTEES
OF THE
BOSTON ELEVATED RAILWAY
COMPANY
FOR THE

Year Ended December 31, 1938

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is not given in connection with any
sale, offer for sale or solicitation of
an offer to buy any securities.*

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ANNUAL REPORT
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OF THE
BOSTON ELEVATED RAILWAY
COMPANY

FOR THE

Year Ended December 31, 1938

BOARD OF PUBLIC TRUSTEES

(Appointed by the Governor of Massachusetts pursuant to Chapter 159
of the Special Acts of 1918)

EDWARD E. WHITING, *Chairman*

ERNEST A. JOHNSON

HENRY J. SMITH, *Secretary*

WILLIAM P. JOY

PATRICK J. WELSH

OFFICERS

(Appointed by the Trustees)

EDWARD DANA

President and General Manager

JOHN H. MORAN

Vice-President and Treasurer

MICHAEL H. CULLEN

General Auditor

WILLIS B. DOWNEY

General Counsel

MAURICE P. SPILLANE

General Claims Attorney

REPORT OF THE BOARD OF PUBLIC TRUSTEES

OF THE

BOSTON ELEVATED RAILWAY COMPANY

 TABLE OF CONTENTS

	PAGE
Data of Operation	5
Basic Data for Period of Public Control	6, 7
Cost of Transporting a Passenger	9
Fixed Charges	9
Taxes	10
Bill to Retire Common Stock Fails to Pass	11
Depreciation	11
Wage Rates	11
Departmental Organization	13
Wage Adjustments	13
Labor Turnover	15
Personnel Training	15
Safety	17
Salaries	17
Traffic and Fares	18
Five-Cent Local Rides	18
Bus Service	19
Trackless Trolley Service	20
Increase in Chartered Bus Service	20
Discontinuance of Atlantic Avenue Service	20
Closing of Charlestown Neck Carhouse	20
Complaints	21

	PAGE
Fare Evasions	21
Illegal Transportation	21
Hurricane	21
Plant and Equipment Changes:	
Everett Shops. Washington Street Garage, Roxbury. New Emergency Truck Garage. Footbridge at Columbia Station	21
Track Abandonment. Passenger equipment, including table of cars, buses and trackless trolleys owned, ac- quired and retired, 1918-1938	22
Conclusion	23

APPENDIXES

1. Public Accountants' Certification	25
2. General Balance Sheet	26
3. Income Statement	30
4. Operating Expense Accounts	32
5. Road and Equipment Investment	34
6. Investment in Road Owned and Leased, December 31, 1938	35
7. Investment and Total Income, 1897-1938	36
8. Capital Outstanding, December 31, 1938	37
9. Revenue Passengers Carried—1897 to 1938	38
10. Revenue Mileage—1898 to 1938	40
11. Comparative Division of Receipts and Expenditures for Years Ended December 31, 1934 to 1938	42
12. Traffic Statistics, Years Ended December 31, 1935 to 1938	43
13. Comparative Passenger Statistics—Revenue Passengers Carried, 1929 to 1938	43
14. Ratio of Maintenance and Depreciation to Total Income, Per Cent, 1929 to 1938	44
15. Comparative Power Statistics, 1934 to 1938	44
16. 1938 Loan Assessment on Cities and Towns—Chapter 159, Special Acts of 1918, as Amended	45

Report of the Board of Public Trustees of the Boston Elevated Railway Company

THE best index of general business activity in any district is the number of fares collected on its local public transportation system.

Repeatedly that fact has been demonstrated in the Boston area. The severe loss in riding on the "El" from 1929 to the low of 1933 and the reversal of the trend from 1933 until the summer of 1937 was an accurate barometer of business locally. Likewise, the subsequent recession in business was immediately reflected in the riding of the railway until the fall of 1938, since when there has been a slight improvement.

RESULTS OF OPERATION

The results of operations for the calendar year 1938 compared with 1937 are shown on the following table:

	Years Ended December 31		Increase or Decrease (*)
	1938	1937	
Total Receipts	\$25,383,333.23	\$25,939,777.15	\$556,443.92*
Operating Expenses:			
Wages	12,894,549.68	12,709,180.09	185,369.59
Materials and Other Items	2,295,707.22	2,119,136.67	176,570.55
Injuries and Damages	668,632.65	594,605.71	74,026.94
Depreciation	2,098,119.60	2,447,321.91	349,202.31*
Fuel	842,277.24	840,559.47	1,717.77
Total Operating Expenses	\$18,799,286.39	\$18,710,803.85	\$ 88,482.54
Fixed Charges:			
Taxes	1,626,769.23	1,669,002.46	42,233.23*
Dividends	1,193,970.00	1,193,970.00	—
Subway, Tunnel & R.T.L. Rents	2,822,426.75	2,822,629.46	202.71*
Interest on Bonds	3,952,485.02	3,939,114.19	13,370.83
Miscellaneous Items	129,081.78	130,281.38	1,199.60*
Total Fixed Charges	\$ 9,724,732.78	\$ 9,754,997.49	\$30,264.71*
Total Cost of Service	\$28,524,019.17	\$28,465,801.34	\$58,217.83
Net Loss	\$ 3,140,685.94†	\$ 2,526,024.19†	\$614,661.75
Revenue Passengers Carried	291,175,017	296,397,493	5,222,476*
Revenue Miles Operated	45,799,029	46,796,328	997,299*

† A deficit assessment is determined upon the basis of the railway's fiscal year which terminates as of March 31.

* Indicates decrease.

The net increase in total operating expenses for 1938 as compared to 1937 was \$88,482.54. This increase resulted from a number of factors: an increase of \$160,490.65 in the cost of removing snow and ice; an increased comparative cost on account of wage agreement adjustments made July 1, 1937 and the cost of operating new bus lines. Offsetting in large part these factors which caused increases in operating expenses were: savings in labor cost arising from a reduction in the average number of employees on the payroll in 1938 as compared to 1937 and a readjustment in the depreciation charge.

BASIC DATA FOR PERIOD OF PUBLIC CONTROL CALENDAR YEARS

Year Ended Dec. 31	Revenue Passengers	Revenue Miles	Receipts	Operating Expenses	Fixed Charges (See Note)	Misc. Deductions	Net Result of Operations	Average Receipts Per Rev. Pass. (Cents)	Oper. Exp. Per Rev. Pass. (Cents)	Fixed Charges Per Rev. Pass. (Cents)	Average Fare Per Fare Pass. # (Cents)
1919	324,758,635	53,721,249	\$29,498,532.82	\$23,700,339.41	\$7,873,683.38	\$306,659.91	\$2,382,099.88*	9.08c	7.30c	2.42c	8.86c
1920	335,526,561	51,359,855	34,031,636.44	25,769,122.11	8,342,668.69	267,012.88	347,167.24*	10.14	7.68	2.48	9.87
1921	337,252,080	49,804,625	33,277,025.53	22,843,056.99	9,006,357.65	256,166.02	1,171,444.87	9.87	6.77	2.67	9.56
1922	356,593,942	50,707,740	32,699,176.37	22,088,458.75	9,073,591.28	124,937.26	1,412,189.08	9.17	6.19	2.54	8.93
1923	382,149,697	54,156,064	34,096,813.26	24,130,253.41	9,189,868.68	97,059.61	679,631.56	8.92	6.31	2.40	8.71
1924	382,888,848	56,091,347	34,175,319.61	25,222,133.56	9,355,944.91	233,937.54	636,696.40*	8.93	6.59	2.44	8.73
1925	365,036,286	55,558,126	34,547,379.61	24,405,735.57	9,462,371.51	177,073.68	502,193.85	9.46	6.69	2.59	9.25
1926	371,218,401	57,943,381	35,481,313.38	26,076,268.11	9,713,154.75	174,639.64	482,749.12*	9.56	7.02	2.61	9.26
1927	366,938,908	56,834,029	35,193,410.03	25,132,332.81	9,705,521.39	132,740.34	222,815.49	9.59	6.85	2.64	9.26
1928	362,005,033	57,481,292	34,843,147.51	24,900,188.69	9,719,134.04	183,773.76	40,081.02	9.63	6.88	2.68	9.28
1929	354,214,990	56,684,985	34,096,623.03	24,024,747.23	9,871,709.99	106,093.17	94,072.64	9.63	6.78	2.78	9.28
1930	342,694,905	56,061,843	32,510,721.17	23,527,974.68	10,048,505.49	68,879.81	1,134,638.81*	9.49	6.87	2.93	9.16
1931	324,788,577	53,553,889	29,855,107.30	22,250,748.25	9,428,547.27	80,757.13	1,904,945.35*	9.19	6.85	2.90	8.87
1932	291,753,825	51,195,761	26,428,493.63	19,542,428.16	9,822,878.62	132,633.30	2,569,445.45*	9.06	6.70	3.19	8.79
1933	267,845,429	46,141,119	24,154,373.09	16,829,647.05	9,461,842.77	110,813.53	2,247,930.26*	9.02	6.28	3.53	8.76
1934	277,034,175	45,822,648	24,818,625.48	16,895,090.49	9,310,234.87	77,789.87	1,464,489.75*	8.96	6.10	3.36	8.72
1935	280,402,526	46,033,344	24,926,426.46	17,665,412.59	9,387,071.91	103,193.19	2,229,251.23*	8.89	6.30	3.35	8.67
1936	296,180,666	46,492,077	26,096,155.47	18,410,341.99	9,488,166.08	95,116.41	1,897,469.01*	8.81	6.22	3.20	8.59
1937	296,397,493	46,796,328	25,939,777.15	18,710,803.85	9,670,191.13	84,806.36	2,556,024.19*	8.75	6.31	3.26	8.54
1938	291,175,017	45,799,029	25,383,333.23	18,799,286.39	9,641,109.24	83,623.54	3,140,685.94*	8.72	6.46	3.31	8.49

* Denotes excess cost of service over receipts.

Excluding Special Car and Special Bus service.

Note:—Fixed charges include subway rentals, rent of leased roads, taxes, dividends and interest on bonds.

BASIC DATA FOR PERIOD OF PUBLIC CONTROL

TRUSTEE YEARS ENDED JUNE 30 AND MARCH 31

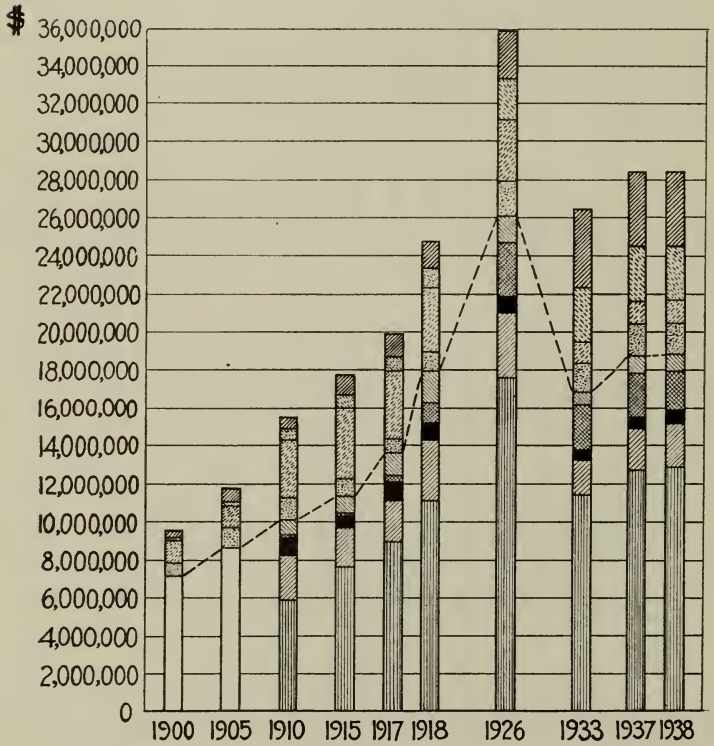
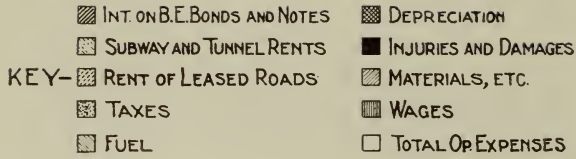
Year Ended June 30	Revenue Passengers	Revenue Miles	Receipts	Operating Expenses	Fixed Charges (See Note)	Miscellaneous Deductions	Result of Operations (*For Losses)	Net Adj. Result of Operations Incl. Profit and Loss Items (*For Losses Assessed)
1919	331,348,124	53,569,606	\$25,225,575.63	\$22,362,171.97	\$7,560,212.67	\$716,611.21	\$5,413,420.22*	\$5,415,500.13\$
1920	324,192,374	51,865,314	32,671,515.53	24,348,226.45	8,029,594.14	311,304.81	17,609.87*	17,079.95
1921	337,381,994	51,048,015	34,200,286.06	25,102,902.39	8,744,033.15	245,304.75	108,045.77	550,253.52
1922	345,545,009	49,774,298	32,698,965.01	22,113,783.76	9,086,894.45	195,603.45	1,302,683.35	1,385,211.44
1923	373,689,603	52,085,801	33,612,335.20	22,906,489.22	9,183,967.83	93,088.85	1,428,789.30	1,114,557.82
1924	386,263,158	56,068,563	34,262,009.46	25,009,657.54	9,233,372.93	163,181.43	144,202.44*	0.00
1925	370,729,801	55,670,491	34,198,250.91	24,606,418.26	9,412,380.77	210,735.98	31,284.10*	20,581.33
1926	368,932,079	56,552,827	35,087,845.89	25,306,433.69	9,622,903.99	168,562.92	10,054.61*	22,304.46
1927	371,893,575	57,970,731	35,618,066.06	25,834,928.57	9,720,918.98	138,818.02	76,599.51*	60,660.25
1928	363,576,565	57,188,342	35,009,933.28	24,937,185.81	9,674,559.56	169,170.88	229,017.03	895,518.01
1929	356,507,228	57,253,904	34,312,806.18	24,473,329.19	9,857,650.77	161,979.55	180,153.33*	0.00
1930	340,441,431	56,276,807	33,597,154.90	23,707,378.01	9,808,002.52	72,752.68	50,978.31*	0.00
1931	336,693,586	55,015,807	31,202,319.98	22,992,883.56	10,106,115.81	69,009.97	1,065,689.36*	1,969,473.12†
1932	310,919,428	52,806,825	28,376,280.28	21,386,862.60	9,001,671.68	108,548.38	2,120,802.38*	1,775,338.80*
1933	272,448,444	47,887,434	24,632,326.42	17,671,635.53	9,536,605.55	144,336.60	2,720,251.26*	2,753,124.14*
1934	275,723,393	46,015,449	24,753,158.12	16,896,758.04	9,369,839.17	76,121.66	1,589,530.75*	1,551,331.97*
March 31								
1935†	207,065,714	34,144,810	18,500,541.01	12,888,265.26	6,935,419.91	67,126.55	1,390,270.71*	1,396,388.83*
1936	282,989,838	46,223,477	25,086,709.97	17,854,394.81	9,387,995.81	102,450.51	2,258,131.16*	2,086,202.37*
1937	296,335,489	46,503,302	26,073,097.59	18,280,433.47	9,552,026.07	89,354.29	1,848,716.24*	1,799,357.27*
1938	294,812,459	46,618,447	25,754,063.58	19,047,324.27	9,655,503.46	84,053.48	3,032,817.63*	1,074,823.31*

Note.—Fixed charges include subway rentals, rent of leased roads, taxes, dividends and interest on bonds.

†This deficit for year ended June 30, 1931 (\$1,969,473.12) was not assessed upon the cities and towns in the District—Sec. 22, Chap. 333, Acts 1931.

\$Of this loss \$4,980,151.67 was assessed and was repaid by the Railway between 1922 and 1931.

†9 Months Period.



GRAPHICAL RECORD OF OPERATING AND OVERHEAD EXPENSES

----- indicates separation of operating expenses and fixed charges



COST OF TRANSPORTING A PASSENGER

The following figures show the cost of service per revenue passenger:

	1938 (cents)	1927 (cents)	1919 (cents)
Wages	4.43	4.56	4.79
Materials and Other Items	.79	.85	1.12
Injuries and Damages	.23	.33	.21
Depreciation	.72	.77	.62
Fuel	.29	.34	.56
Total Operating Expenses	6.46	6.85	7.30
Taxes	.56	.51	.32
Dividends	.41	.84	.89
Subways, Tunnels and R.T.L. Rents	.97	.61	.47
Interest on Bonds and Notes, etc.	1.40	.72	.84
Total Fixed Charges	3.34	2.68	2.52
Total Cost of Service	9.80	9.53	9.82
Total Revenue per Passenger	8.72	9.59	9.08

These figures show that operating expenses per revenue passenger carried have been reduced, but that fixed charges, although practically constant in total, have increased per revenue passenger carried because of the lesser number carried.

FIXED CHARGES

The fixed charges (shown in table above) amounted to \$9,724,732.78 in 1938 and represented 38 per cent. of total receipts.

The magnitude of this sum and the large portion of total income that fixed charges consume, taken together with the loss in riding, account in large part for the deficit.

Analysis, however, of these fixed charges shows that in substantial part they represented payments which revert to the benefit of the general public.

The table below shows that payments of \$2,210,518.45 were made in 1938 to retire the principal of bonds of the City of Boston, of the Commonwealth of Massachusetts, and of the Boston Metropolitan District and indicates the purposes for which these bonds were issued.

City of Boston a/c constructing subways	\$ 444,419.68
State of Massachusetts a/c acquiring Cambridge Subway	79,480.00
Boston Metropolitan District a/c acquiring railway bonds	1,686,618.77
Total	\$2,210,518.45

These payments will result ultimately in the ownership, free of debt, by the public of the subways and railway bonds and also will make possible large future savings in the railway's cost of service.

Of just what significance is this gradual retirement of public debt incurred for construction of the subways and for the purchase of railway bonds?

The simple answer is that the public is gradually acquiring free of debt a well developed, comprehensive and consolidated railway system.

In items of property there is a unified system of underground, overhead and surface lines; hundreds of rapid transit and surface

cars; hundreds of buses and trackless trolleys; shops, garages, car-houses, and various kinds of equipment; and a power production, transmission and distribution system.

In other words, and briefly stated, Boston and its 13 neighboring cities and towns are served, due, in part, to legislative enactments, by a local transportation system which in extent, character and efficiency compares very well indeed with any system serving any metropolitan area in the United States.

Already under the subway Acts funds have been provided from rentals paid by the railway for the retirement of nearly 30 per cent. of the subway debt, as shown in the following table:

Subway or Tunnel	Total Debt Issued	Estimated Net Debt Dec. 31, 1938	Net Reduction in Transit Debt by Railway Payments Amount	Per cent.
Tremont Subway	\$4,761,000.	\$ 290,500.	\$4,470,500.	93.90%
Washington Tunnel . . .	8,521,700.	2,535,300.	5,986,400.	70.25
Cambridge Connection . .	1,653,000.	936,800.	716,200.	43.33
East Boston Tunnel . . .	9,794,000.	6,029,800.	3,764,200.	38.43
Dorchester Tunnel	12,200,000.	10,418,200.	1,781,800.	14.61
Boylston Subway	6,731,000.	6,289,200.	441,800.	6.56
Dorchester Rapid Transit .	11,020,000.	10,435,200.	584,800.	5.31
Total Boston Subways . .	\$54,680,700.	\$36,935,000.	\$17,745,700.	32.45%
Cambridge Subway	8,229,500.	7,157,000.	1,072,500.	13.03
Totals	\$62,910,200.	\$44,092,000.	\$18,818,200.	29.91%

Payments to the Boston Metropolitan District in excess of interest requirements on its bonds have reduced the District debt as shown in the following table:

	Total Net Debt Issued	Total Debt Dec. 31, 1938	Net Reduction in District Debt by Railway Payments Amount	Per Cent.
Boston Metropolitan District Bonds	\$61,457,000.	\$56,473,000.	\$4,984,000.	8.1%

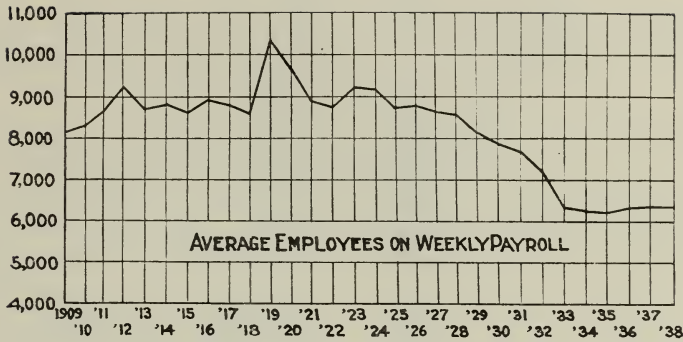
The deficit assessments for the fiscal years 1932 to 1938 totaled \$13,036,866.69 and during that same period there were charged to the cost of service payments of \$7,549,372.05 which were made available to reduce public indebtedness.

TAXES

Total taxes included in cost of service during the year 1938 amounted to \$1,626,769.23, divided as follows:

<i>State Taxes</i>		\$167,592.72
Gasoline Tax	\$129,338.22	
Registrations — Motor Vehicles and Licenses	38,254.50	
<i>Municipal Taxes</i>		872,499.09
Real Estate and Personal Property Taxes	\$821,194.54	
Excise Tax on Motor Vehicles	42,429.10	
Toll Charges, Sumner Vehicular Tunnel	8,875.45	
<i>Federal Taxes</i>		586,677.42
Social Security Taxes	\$519,288.76	
Unemployment Insurance	\$400,366.48	
Old Age Benefit	118,922.28	
Gasoline Tax	43,418.35	
Capital Stock Tax	15,000.00	
Miscellaneous Excise Taxes	8,970.31	
TOTAL TAXES ACCRUED DURING YEAR 1938		\$1,626,769.23

It requires 23½ average days' receipts of the railway to pay these taxes, which represent 16.7 per cent. of the fixed charges.



The unemployment insurance taxes levied on the railway and its employees from January 1, 1936 to December 31, 1938 totaled \$976,925.76, and the employees have received back in benefits only \$26,568.00, or 2.7 per cent. of the total contributions during this period. This section of the social security act places an inequitable burden on the railway in relation to the benefits derived therefrom by its employees.

During the year ended December 31, 1938 an amount of \$519,288.76 for social security taxes was included in the cost of service. This is an important element in increasing the deficit.

BILL TO RETIRE COMMON STOCK FAILS TO PASS

In 1938 a bill which authorized the retirement of the common stock of the railway and the issue of Boston Metropolitan District bonds in an amount sufficient to accomplish that purpose failed to pass.

Had this bill become effective the annual fixed charges of the railway would have been reduced substantially.

DEPRECIATION

Depreciation is the charge which provides for the inevitable wearing out of any property. Unless such a charge is made there would be no means available for the replacement of worn out and obsolete property.

The depreciation charge amounted to \$2,098,119.60 for the year 1938 and \$2,447,321.91 for 1937. This represented 8.26 per cent. of gross income and 2.68 per cent. on the investment in depreciable property for 1938 as compared with 9.43 per cent. and 3.09 per cent. respectively, for 1937.

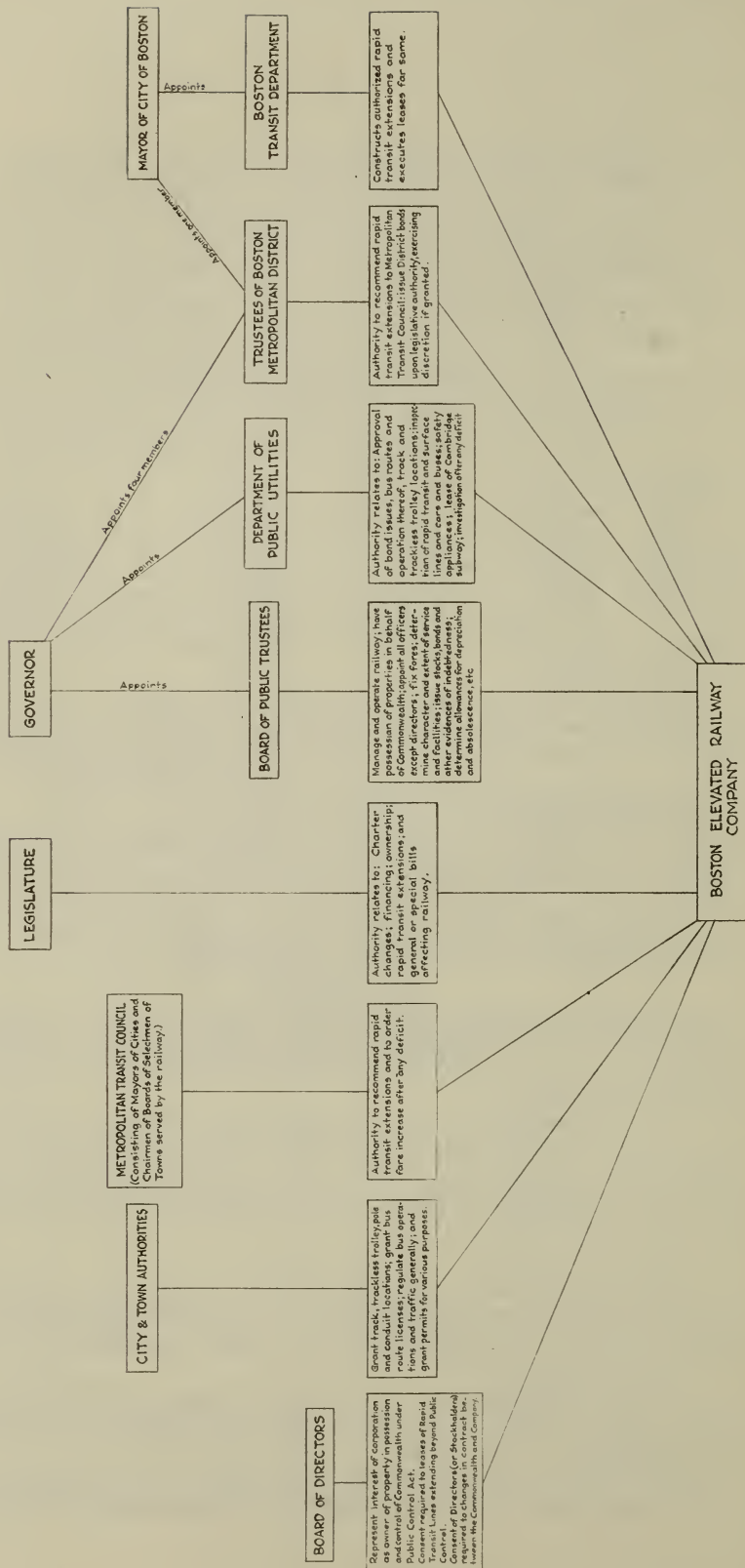
WAGE RATES

The wage rates for surface car and bus employees on the Boston Elevated Railway are in line with rates paid for the same kind of work on railways of comparable size in other principal cities of the United States.

The Elevated wage cost per revenue passenger for 1938 was 4.43 cents compared with 4.77 cents in the year 1926 when 80 million more passengers were carried.

These figures indicate the efforts made to keep operating expenses in conformity with the decrease in passengers carried and

COMMONWEALTH OF MASSACHUSETTS



receipts. They show that in spite of increased hourly wage rates, the wage cost per revenue passenger carried was lower in 1938 than for 1926 when 80 million more passengers were carried.

DEPARTMENTAL ORGANIZATION

The average number of employees on the weekly payroll was 6,298 in 1938 as compared with 6,329 in 1937.

In the report of last year the division of employees was shown by labor organizations. The following table shows the division of employees on the weekly payroll by departments for a representative week:

<i>Transportation Dept.</i>	
Uniformed men, Surface Lines	2,170
Uniformed men, Rapid Transit Lines	413
Station & Misc. Transp. Service, Surface Lines	252
Station & Misc. Transp. Service, Rapid Transit Lines	586
Transp. Offices & Misc.	23
Total Transportation Dept.	3,444
<i>Rolling Stock & Shops Dept.</i>	
Surface Lines carhouses	311
Rapid Transit Lines carhouses	131
Repair shops	498
Garages	241
Yard Crew, Offices, Misc.	51
Total R. S. & S. Dept.	1,232
<i>Maintenance Dept.</i>	
Surface Lines Road Div.	201
Rapid Transit Lines Div.	277
Stores & Yard Div.	64
Building Maintenance Div.	93
Structural Maintenance Div.	123
Engineers and Office	39
Heating Plants	18
Total Maintenance Dept.	815
<i>Power Dept.</i>	
Wire & Conduit Service	143
Power Operation	238
Elec. Engineering, Storeroom and Office	73
Total Power Dept.	454
<i>General Offices</i>	283
Total Weekly Payroll	6,228
Monthly paid employees*	63
Executive Officers*	5
TOTAL	6,296

* As of December 31, 1938.

WAGE ADJUSTMENTS

More than 60 per cent. of the employees belong to the Amalgamated Association of Street and Electric Railway Employees.

The record of wage adjustments since 1913, arrived at either by mutual agreements or as a result of arbitrations, and their effect upon operating expenses, is of interest, and is shown on the following page.

WAGE ADJUSTMENTS WITH AMALGAMATED ASSOCIATION OF STREET AND ELECTRIC RAILWAY EMPLOYEES

ARBITRATION AWARDS		AGREEMENTS WITHOUT ARBITRATION		WORKING CONDITIONS CAR & TRAINMEN			
Effective Date	Estimated Annual Increase Awarded	Effective Date	Estimated Annual Increase	Estimated Annual Decrease	Maximum Rate 2-Man Surface Cars	Maximum Platform Hours Per Day	Days Worked Per Week
May 1, 1913	\$855,000.a	May 1, 1916	\$875,000.a		30½, 31¾, 32	9½	7
Mar. 1, 1918	500,000.				34, 34¾	9½	7
June 15, 1918	3,000,000.				36¾, 37½	9½	7
May 1, 1919	2,400,000.				48	9½	7
May 1, 1920	2,300,000.				60	8¼	7
					70	8¼	7
July 1, 1923	1,800,000.	July 1, 1921		\$500,000.	68, 65	8¼	7
July 1, 1924	500,000.	July 1, 1922		400,000.	63, 61	8¼	7
July 1, 1925	45,000.b				70	8¼	7
					72½	8¼	7
		July 1, 1926	75,000.c		72½	8¼	7
		July 1, 1927	300,000.		75	8¼	6
		July 1, 1928	125,000.d		75	8¼	6
		July 1, 1929	133,000.e		75	8¼	6
		July 1, 1931	None	None	75	8¼	6
		July 1, 1932		800,000.	68½	8¼	6
					71	8¼	6
July 1, 1933	237,000.	July 1, 1934	141,500.		71, 72, 72½, 73½	8¼	6
		July 1, 1935	184,950.		73½, 75	8¼	6
		July 1, 1936	7,500.f		75	8¼	6
		July 1, 1937	348,332.		78	8¼	6
		July 1, 1938	None	None	78	8¼	6

Notes:

- a Does not include cost of betterment in working conditions.
- b One-man car rate differential increased from 8c to 10c per hour.
- c Increases granted certain miscellaneous employees.
- d One week vacation, effective in 1929.
- e Ten days' vacation effective in 1930, and two weeks' vacation effective in 1931.
- f Eight hours' pay for holidays, if called.

LABOR TURNOVER

The following table shows the labor turnover of the blue uniformed force for a period of 35 years. It indicates the stability of employment since public control as compared with earlier years when over one-half of the force was renewed every year, a condition not conducive to efficient service for the riding public.

Year	Newly Hired	Returned from Layoff	Returned from War Service	Laid Off	Dismissed	Resigned	Deceased and Pensioned	Left for War Service
1904	2,029				1,116	758	25	
1905	1,949				1,152	937	24	
1906	2,885				866	1,222	26	
1907	1,975				932	1,093	21	
1908	1,243				832	588	29	
1909	2,303				1,071	1,137	30	
1910	2,632				1,027	1,175	33	
1911	2,300				1,116	1,178	40	
* 1912	8,699				5,045	3,088	38	
1913	1,468				633	609	41	
1914	691				427	376	26	
1915	663				404	255	40	
1916	959				321	384	46	
1917	1,735				596	889	42	647
1918	3,647		128		1,285	1,644	92	647
1919	171		902	448	424	338	57	
1920		150	65	244	170	133	57	
1921		51		350	75	56	31	
1922		321		26	60	66	48	
1923	237	238			52	77	42	
1924	99	104		75	67	55	51	
1925	83	153		149	29	34	55	
1926	55	108		96	31	47	51	
1927	56	257		261	42	23	52	
1928	38	140		181	37	13	82	
1929		141		178	16	21	54	
1930		126		214	20	16	46	
1931		74		244	20	6	52	
1932				315	20	2	62	
1933		85		165	8	3	53	
1934		38			12	10	58	
1935		149			22	14	57	
1936		103			14	6	70	
1937		39			16	8	82	
1938		43			6	13	78	

* Due to strike.

PERSONNEL TRAINING

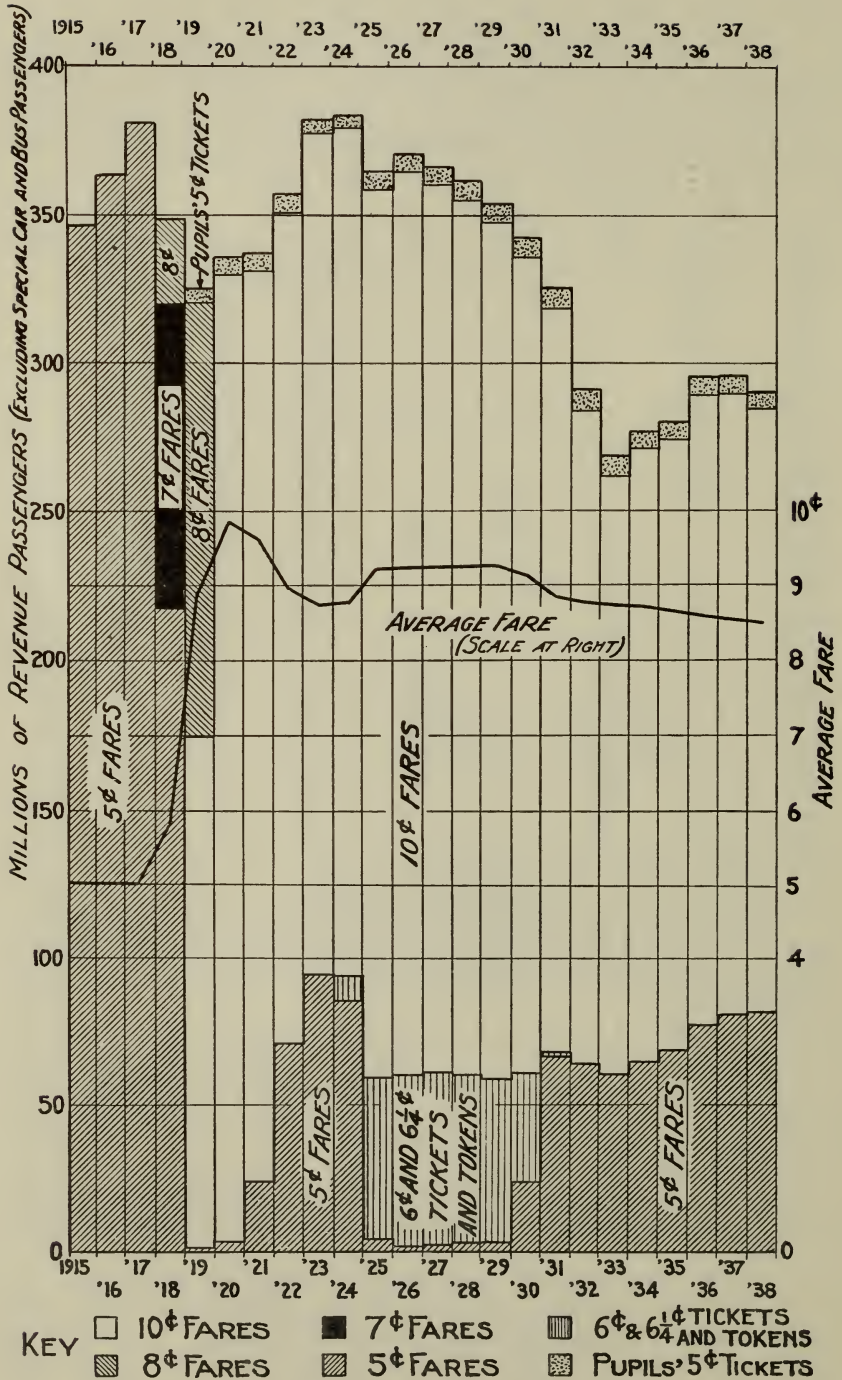
A well-selected, trained and informed personnel is essential to good transportation service. An appropriate merit plan has been in effect on the property in making promotions from the ranks to supervisory positions.

Training and instruction work in a large organization is of great but intangible value.

A recent series of lectures on the diesel bus engine and a fifth practical laboratory course in arc and acetylene welding, just completed, are examples of special instruction.

To inform "El" employees, a bulletin appropriately entitled "Co-operation", is issued. With 1938 it ended its 17th year. It contains regular operating data, news of construction and other helpful material.

The railway's progress in accident reduction has earned for it an unprecedented number of awards of the Anthony N. Brady Memorial Medals by the American Museum of Safety. Its record of awards bars the railway from the Brady Medal competition until 1942. This notable record has been achieved primarily through



DATA OF FARES COLLECTED, 1915-1938

analysis and follow-up methods supplemented by special instruction and the use of every available means for keeping employees supplied with up-to-the-minute accident facts. Trophy contests in the two surface lines divisions and the award of safe drivers' certificates in the maintenance and rolling stock and shops departments have been features in 1937-1938.

SAFETY

In spite of the severe weather in the early part of 1938, the collision record of the surface lines has continued creditable. The figures of surface vehicle accidents for the last three years are shown below:

	1938	1937	1936
Surface vehicle collisions	4,040	3,790	4,381
Surface vehicle boarding and alighting accidents	1,047	1,077	927

Derailments of surface cars, once a serious cause of delay, were 59 in 1938, 58 in 1937, and 73 in 1936. For each year, surface car derailments were less than a tenth of what they were in the early years of trustee control.

The railway has established an excellent record in the reduction of industrial accidents, as indicated below:

	Total No. of Injuries
1938	565
1937	543
1936	613
1931	835
1926	1,460

SALARIES

Last year's report showed that there were fewer salaries of \$6,000 annually or higher on the railway than on other rapid transit systems in the United States and that the total of these salaries on the Elevated represented three-quarters of one per cent. of operating expenses, a much lower percentage of operating expenses than on these other rapid transit systems.

The latest reports made to the Department of Public Utilities by the utilities and railroads hereabouts indicate that salaries of more than \$6,000 on the Boston Elevated represent the lowest percentage of operating expense of all the comparable companies.

The following is a comparison of salaries of \$6,000 or more on the Elevated in 1913 with 1938 and a comparison of the total annual weekly payroll for these same two years.

	1913	1938	Per Cent.	
			Decr.	Incr.
Officials receiving \$6,000 or more	15	15	-----	-----
Total amount paid above officials	\$183,500.	\$142,875.	22.1	-----
Annual weekly payroll	\$7,246,000.	\$12,966,000.	-----	78.9
Average weekly wage	\$16.00	\$39.48	-----	146.8
Average number of employees on weekly payroll	8,709	6,298	27.7	-----

TRAFFIC AND FARES

That the Boston Elevated Railway has done relatively well during 1938 is evidenced by a comparison of the decreases in passenger receipts, as compared with 1937, of other metropolitan systems, as follows:

City	Company	12 months ended Dec. 31
Detroit	City of Detroit Dept. of St. Rys.	10.86%
Pittsburgh	Pittsburgh Rys. Co.	9.02
Cleveland	The Cleveland Ry. Co.	8.46
Chicago	Chicago Surface Lines	7.25
Philadelphia	Philadelphia R. T. Co.	6.64
New York	Interborough Rapid Transit Co.	5.29
St. Louis	St. Louis Public Service Co.	4.97
Kansas City	Kansas City Public Service Co.	4.55
New York	Brooklyn-Manhattan Transit System	4.18
Newark	Public Service Coordinated Transport	3.63
Baltimore	Baltimore Transit Co.	3.11
Indianapolis	Indianapolis Railways, Inc.	2.96
Boston	Boston Elevated Railway Co.	2.34

The Boston Elevated system was planned and constructed to bring passengers to a compact downtown central area.

The subway and rapid transit lines are radial arteries converging upon this area. Into these arteries flows the traffic from numerous connecting surface car, trackless trolley and bus lines from the outer territory.

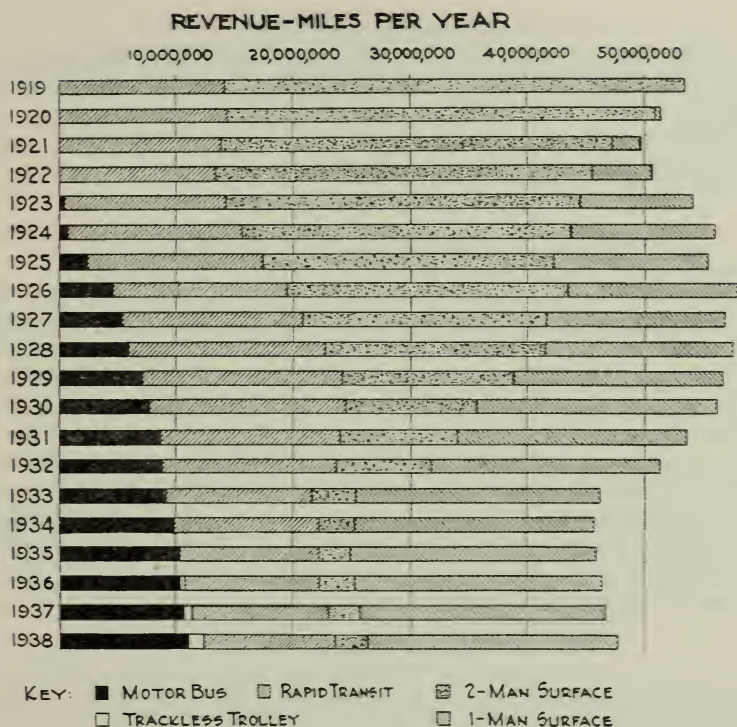
Vehicle stagnation, decline of activity in central Boston, and demolition of many buildings and the use as parking areas of the land upon which they formerly stood, — all these are factors vitally affecting the use of the radial transportation lines.

That the factors just mentioned have affected the Elevated is shown by the decrease in the percentage of the total revenues collected at subway and elevated stations: whereas in 1931 this percentage was 64.27 per cent., in 1938 it was 61.41 per cent.

FIVE-CENT LOCAL RIDES

As an experimental step towards reducing the deficit the trustees voted to discontinue five-cent local rides from Saturday, November 19, 1938, for a trial period. A conference between the trustees and the mayors and chairmen of boards of selectmen, or their representatives, was held. At this conference, at which were represented ten of the fourteen cities and towns served by the railway, the Board of Trustees was unanimously asked to postpone the discontinuance of five-cent local rides. The trustees assented to this request.

In recent years there has been an increase in the total of five-cent local rides. A more important factor, however, than the actual increase in number of five-cent local rides has been the increase in the percentage of these local rides to the total fares resulting from the severe drop in the number of ten-cent fares. Taken together these two factors have resulted in decreasing the average fare from 8.87 cents in 1931 to 8.49 cents in 1938, or nearly two-fifths of a cent.



BUS SERVICE

Bus mileage operated by the railway during 1938 continued to increase. In 1937 the bus revenue miles operated were 10,643,257, whereas in 1938 the bus revenue miles operated were 11,032,794.

As of the end of 1938 the railway operated bus service over 169 miles of streets as compared to an operation of over 159 miles of streets in 1937.

New bus routes put in operation during 1938 were as follows:
 Fish Pier to State street; and
 Army Base to South Station.

The two lines above superseded the service formerly operated by Rawding Lines, Inc., and supplemented a Rows Wharf-South Station line operated by the Elevated. Later the Fish Pier-State street line was extended to Haymarket square via Atlantic avenue, Hanover and Cross streets in connection with the discontinuance of the Atlantic avenue elevated train service.

Allston to Dudley street station, replacing car line.

South Huntington avenue and Heath street to Dudley station.

Dudley station to Tremont and Dover streets via Washington and Dover streets, replacing a car line between Dudley station and North Station.

Night bus lines replaced night car lines as follows:

Watertown station to Harvard square via Mt. Auburn street;
Clarendon Hill station to Lechmere terminal via Highland avenue;

Davis square to Sullivan square station via Somerville avenue, Union square and Washington street.

TRACKLESS TROLLEY SERVICE

Trackless trolley operation on the Elevated began on April 11, 1936 and is now well established.

The revenue miles operated almost doubled in 1938 as compared with the prior year. The revenue mileage for trackless trolley operation was 1,434,869 in 1938. The railway operated trackless trolley service, as of December 31, 1938, over 18 miles of streets.

Two new trackless trolley lines were opened during 1938. The Huron avenue line in Cambridge, operating from the Harvard square station to the intersection of Mt. Auburn street and Huron avenue, began service on April 2. Ten units are operating on this line. The Lebanon street line, operating from the Everett terminal to Lebanon street and Swain's Pond road, Malden, began service on December 31. Twenty-four units operate on this line, either to Lebanon street or to Malden square.

INCREASE IN CHARTERED BUS SERVICE

Due to constant efforts the railway's chartered bus service for group outings, picnics, convention meetings and the like has shown a satisfactory increase.

The table below shows the salient figures with respect to the amount of chartered bus business performed during three years which are relatively comparable.

	1938	1937	1933
Revenue	\$81,681.70	\$70,688.08	\$30,980.53
Revenue Mileage	114,706	96,138	40,819
Number of Orders	5,347	4,394	2,002
Number of Buses	6,970	5,918	2,905

DISCONTINUANCE OF ATLANTIC AVENUE SERVICE

On October 1, 1938 train service on Atlantic avenue was discontinued after having been in operation since August 22, 1901.

Changed conditions in passenger traffic made possible the discontinuance of this service and will result in an estimated annual operating saving of \$140,000.

Passengers formerly using the service have been provided with increased service in the Washington street tunnel and with an extension of bus lines on Atlantic avenue.

CLOSING OF CARHOUSE

The Charlestown Neck carhouse has been closed as an operating carhouse and the passenger cars formerly repaired here have been transferred to Salem street carhouse for maintenance. A number of service cars will be inspected at this carhouse by the rapid transit inspection force, but heavy repairs will be made at the Everett shops.

COMPLAINTS

During 1938 there were 1,232 complaints registered; 248 concerning service and 984 concerning employees. Each of these was given careful attention and a representative of the railway interviewed the complainant where possible. This compares with 1,124 complaints in 1937 and with an annual average of 1,285 during the preceding four years.

FARE EVASIONS

During 1938 a total of 338 cases were prosecuted in the Courts for various offences, such as use of "slugs", misuse of transfers, misuse of tickets, evasion of fares, etc., and convictions were obtained in all but 36 cases.

The use of bad coins in automatic passimeters has been reduced from 107,501 in 1931 to 10,793 in 1938, the lowest figure thus far.

ILLEGAL TRANSPORTATION

The extent to which revenue is diverted from the Boston Elevated by reason of illegal taxicab operations is not generally appreciated. During the year the railway has, with the co-operation of the Police Department of the City of Boston, continued its efforts to stop such practices; 727 cases of illegal taxicab operation were detected, resulting in license suspensions of 3,696 days.

HURRICANE

The hurricane of September 21, the worst this section has ever experienced, interrupted service on the system to some extent, but with the exception of the Fellsway line, where the falling of large numbers of trees pulled down poles and wires, all lines were opened the morning after the storm. The incidental expense to the railway was small.

PLANT AND EQUIPMENT CHANGES

Everett Shops. The railway's shops at Everett are being enlarged to provide facilities for economical maintenance of rapid transit and surface cars, trackless trolleys and buses. This will permit the abandonment of the obsolete shops at Albany street, the transfer of unit overhaul of buses from the Somerville garage, where the provisions are now inadequate for this purpose, and the closing of the Sullivan Square rapid transit machine shop.

Washington Street Garage, Roxbury. The existing bus garage facilities at 2527-2569 Washington street, Roxbury, have been enlarged by an additional storage unit which increases the capacity at this point from 158 buses to 194 buses.

New Emergency Truck Garage. A single-unit brick garage, built adjoining the Everett carhouse, was put in service on November 19. This carhouse is now devoted exclusively to trackless trolleys, and the new emergency crew quarters are central to the several trackless trolley lines in this region.

Footbridge at Columbia Station. A footbridge from the island platform at Columbia station on the Dorchester rapid transit extension to the nearby commercial parking area with a capacity for

1,000 automobiles was built by the Transit Department of the City of Boston late in 1938. It crosses the railway's westbound track and four tracks of the N. Y., N. H., & H. R.R.

Track Abandonment. From July 1, 1918 to December 31, 1938 (the period of public control) more than 180 miles of surface track has been abandoned.

The surface track rebuilt or repaired recently has been as follows:

1938	.	.	.	.	4.96 miles
1937	.	.	.	.	5.63 "
1936	.	.	.	.	7.17 "
1935	.	.	.	.	8.41 "

Passenger Equipment. Over the period of twenty years the rolling stock equipment of the railway has undergone an almost complete transformation.

The box and open cars and the so-called articulated cars have disappeared from the property. The wooden elevated cars likewise have been retired and replaced by steel cars.

From the beginning of bus operation to date the railway acquired 777 buses. Of these, 276 have been replacements. The railway has also placed in service 92 trackless trolleys.

The table that follows shows the changes in passenger equipment during the period of public control.

	Owned 1918	Acquired 1918-1938	Retired 1918-1938	On Hand Dec. 31, 1938
SURFACE CARS				
Semi-Convertible Cars:				
Types No. 1 to No. 4	453	-----	187	266
Type No. 5	-----	471	1	470
Type "4000"	-----	64	10	54
Center Entrance Cars	100	305	115	290
Trailer Cars	174	50	212	12
P.C.C. Cars	-----	1	-----	1
Birney Type Cars	1	80	81	-----
Articulated Cars	177	-----	177	-----
Box Cars	1,113	-----	1,113	-----
Open Cars	1,354	-----	1,354	-----
Total Surface Cars	3,372	971	3,250	1,093
RAPID TRANSIT CARS				
Elevated Cars, Wooden and Steel	169	-----	169	-----
Elevated Cars, Steel	162	163	-----	325
Camb.-Dorch. Tunnel Cars, Steel	60	95	-----	155
East Boston Tunnel Cars, Steel .	-----	48	-----	48
Total Rapid Transit Cars	391	306	169	528
BUSES				
Mechanical Drive	-----	705	250	455
Diesel-Electric Drive	-----	24	-----	24
Diesel-Hydraulic Drive	-----	2	-----	2
Gas-Electric Drive	-----	46	26	20
Total Buses	-----	777	276	501
TRACKLESS TROLLEYS				
	-----	92	-----	92
TOTALS	3,763	2,146	3,695	2,214

CONCLUSION

In this annual report the trustees present in detail many of the factors affecting the railway. This is done for the purpose of bringing before all concerned the difficulties confronting the Board in restoring the railway to a self-supporting basis.

The weight of fixed charges, the effects of a decentralizing Boston and the lower level of railway revenues prevailing for several years present the chief elements in the problem and indicate that there is no quick and easy way of making the railway self-supporting.

In many of its aspects the problem is a community one. The railway system, constructed over a long period of years under different conditions than the present, has made possible the highly developed central area. The underground rapid transit lines are of vital necessity to this business area.

Considerations of vital importance to the residents of the Metropolitan District, for whom an efficient mass transportation system is a necessity and upon whom the burden of deficits rests, are: freedom in the movement of traffic, reduction in the weight of fixed charges on the railway and certainty that the mass transportation system shall obtain every item of income that it should properly receive.

All responsible agencies should co-operate to the end of reducing or eliminating the deficits for the fact must be faced that there are but two alternatives: either the railway must be made self-supporting or else the principle must be permanently accepted that mass transportation is to be partially subsidized through general taxation.

BOARD OF PUBLIC TRUSTEES,

BOSTON ELEVATED RAILWAY COMPANY,

EDWARD E. WHITING, *Chairman*

HENRY J. SMITH, *Secretary*

ERNEST A. JOHNSON

WILLIAM P. JOY

PATRICK J. WELSH

February 1, 1939.

APPENDIX 1

LYBRAND, ROSS BROS. & MONTGOMERY
BOSTON, MASSACHUSETTS

To the Trustees of
Boston Elevated Railway Company:

We have made an examination of the accompanying general balance sheet of the Boston Elevated Railway Company as at December 31, 1938 and of the accompanying income statement for the twelve months ended December 31, 1938. In connection therewith we examined or tested accounting records of the company and other supporting evidence and obtained information and explanations from officers and employees of the company; we also made a general review of the accounting methods and of the operating and income accounts for the period, but we did not make a detailed audit of the transactions.

In our opinion, the provision for depreciation of road and equipment in the year 1938 charged to cost of service as shown in the accompanying schedule of operating expense accounts is fair and reasonable, but the amount of accrued depreciation appearing in the accompanying balance sheet is inadequate. Reference is made to the comparison of the depreciation charges to cost of service in the years 1938 and 1937, shown in the report of the Board of Trustees of the company.

In our opinion, based upon such examination, and subject to the comments in the preceding paragraph, the accompanying general balance sheet as at December 31, 1938 and income statement for the twelve months ended December 31, 1938, fairly present, in accordance with accepted principles of accounting consistently maintained by the company during the year, the position of Boston Elevated Railway Company at that date and the results of operations under public control for the year then ended.

(Signed) LYBRAND, ROSS BROS. & MONTGOMERY.

Boston, Massachusetts
January 30, 1939.

APPENDIX 2

GENERAL BALANCE SHEET

ASSETS	Dec. 31, 1938	Dec. 31, 1937
INVESTMENTS		
Road and Equipment:		
Way and Structures	\$60,464,690.61	\$60,839,199.65
Equipment	31,392,789.78	31,572,270.07
Power	15,560,341.82	15,551,432.51
General and Miscellaneous	1,972,733.17	1,972,702.63
Unfinished Construction	888,819.62	204,430.65
Total Road and Equipment	\$110,279,375.00	\$110,140,035.51
Miscellaneous Physical Property	\$815,654.67	\$847,723.98
Other Investments:		
U. S. Treasury Notes	\$2,003,908.83	\$3,035,955.53
Mortgage Notes	155,550.50	163,100.50
Advances, Road and Equipment:		
Eastern Massachusetts Street Railway Company	206,257.37	191,221.02
Total Other Investments	\$2,365,716.70	\$3,390,277.05
Total Investments	\$113,460,746.37	\$114,378,036.54

GENERAL BALANCE SHEET—Continued

LIABILITIES	Dec. 31, 1938	Dec. 31, 1937
STOCK		
Capital Stock:		
Common Stock	\$23,879,400.00	\$23,879,400.00
Premium on Capital Stock:		
Common Stock	2,707,428.13	2,707,428.13
Total Stock	\$26,586,828.13	\$26,586,828.13
BONDS		
Funded Debt Unmatured:		
4½% 30 yr. B. E. Ry. Co. Bonds, Due Nov. 1, 1941	\$5,000,000.00	\$5,000,000.00
5% 30 yr. B. E. Ry. Co. Bonds, " Dec. 1, 1942	8,286,000.00	8,286,000.00
5% 30 yr. W. E. St. Ry. Co. Bonds, " Mar. 1, 1944	2,600,000.00	2,600,000.00
7% 30 yr. W. E. St. Ry. Co. Bonds, " Sept. 1, 1947	570,000.00	570,000.00
4½% 15 yr. B. E. Ry. Co. Bond, " Aug. 1, 1949	1,581,000.00	1,581,000.00
5% 25 yr. B. E. Ry. Co. Bond, " Jan. 1, 1960	6,309,000.00	6,309,000.00
5% 25 yr. B. E. Ry. Co. Bond, " Mar. 1, 1960	8,500,000.00	8,500,000.00
4½% 25 yr. B. E. Ry. Co. Bond, " Dec. 15, 1960	7,711,000.00	7,711,000.00
4½% 25 yr. B. E. Ry. Co. Bond, " June 1, 1961	3,815,000.00	3,815,000.00
4¼% 25 yr. B. E. Ry. Co. Bond, " Jan. 1, 1962	2,098,000.00	2,098,000.00
4¾% 25 yr. B. E. Ry. Co. Bond, " Oct. 1, 1962	4,800,000.00	4,800,000.00
6% B. E. Ry. Co. Bonds Authorized Under Sec. 4, Chapter 333, Acts 1931	23,430,917.00	23,430,917.00
6% B. E. Ry. Co. Bond, Auth. Sec. 4, Chap. 333, Acts 1931, as amended by Sec. 1, Chap. 299, Acts 1932	1,500,000.00	1,500,000.00
Total Bonds	\$76,200,917.00	\$76,200,917.00

GENERAL BALANCE SHEET—Continued

ASSETS	Dec. 31, 1938	Dec. 31, 1937
CURRENT ASSETS		
Cash	\$1,487,650.14	\$1,457,891.40
Special Deposits:		
Interest, Dividends and Rents Unpaid	\$328,769.93	\$324,884.42
For Preferred Stock Redemption	1,377.39	1,791.35
Employees' Social Security Taxes	29,134.69	22,761.64
Reserve Fund, Chap. 159, Spec. Acts, 1918	—	—
Total Special Deposits	\$359,282.01	\$349,437.41
Miscellaneous Accounts Receivable	\$395,217.34	\$381,740.18
Material and Supplies	1,868,802.77	1,943,916.19
Interest, Dividends and Rents Receivable	13,163.25	12,484.80
Other Current Assets	39,080.00	39,030.00
Total Current Assets and Special Deposits	\$4,163,195.51	\$4,184,499.98
UNADJUSTED DEBITS		
Rents and Insurance Premiums Paid in Advance	\$88,468.00	\$120,561.00
Discount on Funded Debt	1,187,257.14	1,260,343.02
Other Unadjusted Debits	61,449.39	81,775.14
Total Unadjusted Debits	\$1,337,174.53	\$1,462,679.16
TOTAL ASSETS	\$118,961,116.41	\$120,025,215.68

NOTES: Amounts advanced by Commonwealth of Massachusetts for deficits in Cost of Service July 1, 1931 to March 31, 1938 totalled \$13,036,866.69 as at December 31, 1938.

The federal income tax liability, if any, for the years 1931 to 1938 inclusive, has not been finally determined. As a result of an unanimous decision of the United States Board of Tax Appeals sustaining the contention of the railway from which decision an appeal has been taken by the U. S. Treasury Department, no provision has been made for such taxes in 1938, and the reserves provided at the end of 1937 for the years 1931 to 1937 inclusive, have been reduced to approximately \$300,000. during 1938 by a credit to the cost of service deficit for the year ended March 31, 1938.

Net surplus credits not reflected in the income statement following amounted to \$1,363,209.29 (including \$1,262,208.40 reduction of federal tax reserves) for the calendar year 1938 and \$7,233.90 for the calendar year 1937. Under the provisions of the Public Control Act as amended, amounts advanced by the Commonwealth of Massachusetts are based on deficits in cost of service for the twelve month periods ending March 31.

GENERAL BALANCE SHEET—*Concluded*

LIABILITIES	Dec. 31, 1938	Dec. 31, 1937
CURRENT LIABILITIES		
Audited Accounts and Wages Payable	\$653,998.52	\$473,671.08
Matured Interest, Dividends and Rents Unpaid . . .	337,646.68	333,766.42
Accrued Interest, Dividends and Rents Payable:		
Accrued Interest on Funded Debt	924,333.91	924,333.91
Accrued Rent of Leased Roads	5,678.36	5,678.36
Accrued Rent of Subways, Tunnels & R. T. L. . . .	111,796.66	110,440.84
Total Accrued Interest, Dividends and Rents Payable	\$1,041,808.93	\$1,040,453.11
Total Current Liabilities	\$2,033,454.13	\$1,847,890.61
DEFERRED LIABILITIES		
Liability for Provident Funds	\$29,582.23	\$22,761.64
Other Deferred Liabilities	11,954.47	12,340.64
Total Deferred Liabilities	\$41,536.70	\$35,102.28
UNADJUSTED CREDITS		
Tax Liability:		
Federal	\$169,507.28	\$1,517,303.87
State and Municipality	—	500.00
Total Tax Liability	\$169,507.28	\$1,517,803.87
Premium on Funded Debt	\$20,333.64	\$24,260.16
Injury and Damage Reserve	\$1,035,479.00	\$1,071,141.97
Accrued Depreciation—Road and Equipment . . .	\$16,304,796.56	\$16,226,987.31
Other Unadjusted Credits:		
Outstanding Tickets and Tokens	\$41,178.63	\$70,586.28
Unredeemed Preferred Stocks	6,941.00	7,349.71
Other Unadjusted Credits	548,997.49	362,548.17
Total Other Unadjusted Credits	\$597,117.12	\$440,484.16
Total Unadjusted Credits	\$18,127,233.60	\$19,280,677.47
CORPORATE SURPLUS		
Profit and Loss:		
Prior to July 1, 1918	\$12,127.83*	\$12,127.83*
Year Ended June 30, 1931	1,969,473.12*	1,969,473.12*
Cost of Service Deficit 9 months ended December 31.	2,588,020.22*	2,485,366.88*
Arising out of Consolidation with West End St. Ry.		
Co., June 10, 1922 and Reorganization July 1, 1931	540,768.02	540,768.02
Total Corporate Surplus	\$4,028,853.15*	\$3,926,199.81*
TOTAL LIABILITIES	\$118,961,116.41	\$120,025,215.68

*Debit.

APPENDIX 3

INCOME STATEMENT

	Twelve Months Ended Dec. 31, 1938	Twelve Months Ended Dec. 31, 1937
OPERATING INCOME		
Passenger Revenue	\$24,663,197.63	\$25,266,522.99
Special Car and Special Bus Revenue	83,625.40	72,813.63
Mail Revenue	72.93	175.00
Total Revenue from Transportation	\$24,746,895.96	\$25,339,511.62
Station and Car Privileges	\$491,226.60	\$466,900.08
Rent of Tracks and Facilities	2,342.40	2,476.92
Rent of Equipment	7,746.48	8,145.96
Rent of Buildings and Other Property	53,091.82	55,968.02
Power	34,214.91	16,669.39
Miscellaneous	328.85	536.81
Total Revenue from Other Railway Operations	\$588,951.06	\$550,697.18
Total Railway Operating Revenues	\$25,335,847.02	\$25,890,208.80
Railway Operating Expenses:		
Way and Structures	\$2,898,926.89	\$2,809,671.96
Equipment	3,308,852.62	3,446,341.68
Power	1,663,194.36	1,745,742.03
Conducting Transportation	8,661,957.24	8,560,672.52
Traffic	19,766.21	12,204.28
General and Miscellaneous	2,271,708.88	2,155,783.80
Transportation for Investment	†25,119.81	†19,612.42
Total Railway Operating Expenses	\$18,799,286.39	\$18,710,803.85
Net Revenue Railway Operations	\$6,536,560.63	\$7,179,404.95
Taxes Assignable to Railway Operations:		
Federal	\$586,677.42	\$660,387.85
State and Municipalities	1,040,091.81	1,008,614.61
Total Taxes Assignable to Railway Operations	\$1,626,769.23	\$1,669,002.46
Operating Income	\$4,909,791.40	\$5,510,402.49

†Credit.

INCOME STATEMENT—*Concluded*

	Twelve Months Ended Dec. 31, 1938	Twelve Months Ended Dec. 31, 1937
NON-OPERATING INCOME		
Income from Funded Securities	\$43,488.72	\$35,380.45
Income from Unfunded Securities	—	2,605.99
Income from Sinking Fund and Other Reserves	—	7,043.82
Release of Premiums on Funded Debt	3,926.52	3,926.52
Miscellaneous Income	70.97	611.57
Total Non-Operating Income	\$47,486.21	\$49,568.35
Gross Income	\$4,957,277.61	\$5,559,970.84
DEDUCTIONS FROM GROSS INCOME		
Rent for Leased Roads:		
Boston Elevated Railway Co.—Dividend Rental	\$1,193,970.00	\$1,193,970.00
Other Roads	45,458.24	45,475.02
Total Rent for Leased Roads	\$1,239,428.24	\$1,239,445.02
Miscellaneous Rents	\$2,822,426.75	\$2,822,629.46
Net Loss on Miscellaneous Physical Property	2,848.26	1,744.54
Interest on Funded Debt	3,952,485.02	3,939,114.19
Amortization of Discount on Funded Debt	73,085.88	71,597.85
Miscellaneous Debits	7,689.40	11,463.97
Total Deductions from Gross Income	\$8,097,963.55	\$8,085,995.03
Operating Loss for Year	*\$3,140,685.94	*\$2,526,024.19

*Debit.

APPENDIX 4

OPERATING EXPENSE ACCOUNTS

	Twelve Months Ended Dec. 31, 1938	Twelve Months Ended Dec. 31, 1937
WAY AND STRUCTURES		
Superintendence of Way and Structures	\$261,208.80	\$261,250.56
Maintenance of Track and Roadway	941,786.64	1,020,409.66
Removal of Snow and Ice	208,660.36	48,169.71
Tunnels and Subways	26,572.76	22,695.37
Elevated Structures and Foundations	60,872.76	71,164.11
Bridges, Trestles and Culverts	3,877.33	10,585.05
Crossings, Fences and Signs	9,708.81	5,228.19
Signals and Interlocking Apparatus	34,700.43	30,234.29
Telephone and Telegraph Lines	6,758.13	7,557.17
Other Miscellaneous Way Expenses	39,075.60	39,132.77
Maintenance of Electric Line Equipment	220,218.34	169,391.14
Maintenance of Buildings, Fixtures and Grounds	382,886.93	365,693.94
Depreciation of Way and Structures	702,600.00	758,160.00
Total Way and Structures	\$2,898,926.89	\$2,809,671.96
EQUIPMENT		
Superintendence of Equipment	\$153,850.49	\$154,103.81
Maintenance of Revenue Equipment	1,294,436.83	1,282,911.80
Maintenance of Rail Service Equipment	32,499.52	32,732.55
Elec. Equip. Maint. of Revenue Equipment	342,114.99	335,283.26
Shop Equipment	43,881.08	33,009.92
Shop Expenses	252,911.44	253,755.47
Miscellaneous Equip. (Autos, Trucks & Tractors)	43,238.67	32,742.96
Depreciation of Equipment	592,800.00	816,480.00
Depreciation of Buses & Trackless Trolleys	553,119.60	503,321.91
Total Equipment	\$3,308,852.62	\$3,446,341.68
POWER		
Superintendence of Power	\$91,040.02	\$91,335.15
Maintenance of Power Plant Bldgs. & Equip.	155,693.23	165,239.93
Depreciation of Power Plant Bldgs. & Equip.	249,600.00	369,360.00
Operation of Power Plants	932,837.17	874,260.28
Gasoline and Fuel Oil for Buses	234,023.94	245,546.67
Total Power	\$1,663,194.36	\$1,745,742.03

OPERATING EXPENSE ACCOUNTS—*Concluded*

	Twelve Months Ended Dec. 31, 1938	Twelve Months Ended Dec. 31, 1937
CONDUCTING TRANSPORTATION		
Superintendence of Transportation	\$1,101,714.44	\$1,074,516.61
Pass. Car, Trainmen and Bus Operators	5,060,044.74	5,008,687.44
Misc. Car and Bus Service Employees	182,776.27	188,824.57
Misc. Car and Bus Service Expenses	109,083.05	99,795.23
Station Employees	661,575.01	645,785.03
Station Expenses	204,463.42	223,884.33
Car House and Bus Garage Employees	779,942.53	756,369.82
Car House and Bus Garage Expenses	83,526.35	93,051.61
Operation of Signal & Interlocking Apparatus	245,964.06	248,922.51
Operation of Telephone & Telegraph Lines	12,739.21	12,085.46
Other Transportation Expenses	220,128.16	208,749.91
Total Conducting Transportation	\$8,661,957.24	\$8,560,672.52
TRAFFIC		
Traffic	\$19,766.21	\$12,204.28
GENERAL AND MISCELLANEOUS		
Salaries and Expenses of General Officers	\$85,752.17	\$86,170.74
Salaries and Expenses of General Office Clerks	385,042.13	382,263.07
General Office Supplies and Expenses	83,292.39	83,529.05
Law Expenses	37,751.41	33,773.05
Relief Expenses	120.00	1,770.00
Pensions and Gratuities	228,589.12	221,937.21
Miscellaneous General Expenses	91,247.08	85,315.03
Injuries and Damages	833,469.94	756,146.50
Insurance	168,191.01	147,625.64
Stationery and Printing	57,055.78	62,740.12
Store Expenses	189,952.76	182,068.60
Garage Expenses (Excl. Bus Garages)	87,790.90	85,805.05
Rent of Tracks and Facilities	9,598.82	12,753.99
Rent of Equipment	13,855.87	13,855.75
Total General and Miscellaneous	\$2,271,703.88	\$2,155,783.80
TRANSPORTATION FOR INVESTMENT	†\$25,119.81	†\$19,612.42
TOTAL OPERATING EXPENSES	\$18,799,286.39	\$18,710,803.85

†Credit.

APPENDIX 5 ROAD AND EQUIPMENT INVESTMENT

ACCOUNT	Total Dec. 31, 1938	Total Dec. 31, 1937
WAY AND STRUCTURES		
Engineering and Superintendence	\$1,722,072.11	\$1,722,072.11
Right of Way	11,465,147.56	11,467,555.24
Other Land	5,714,730.33	5,714,730.33
Grading	321,233.84	323,253.23
Ballast	733,836.64	751,736.75
Ties	804,617.87	860,021.22
Rails, Rail Fastenings and Joints	1,796,172.68	1,996,830.16
Special Work	4,341,216.83	4,388,393.76
Track and Roadway Labor	4,094,438.70	4,212,210.82
Paving	1,373,742.60	1,467,250.67
Roadway Machinery and Tools	552,990.10	550,494.85
Tunnels and Subways	357,648.36	347,908.22
Elevated Structures and Foundations	5,549,015.53	5,549,015.53
Bridges, Trestles and Culverts	2,002,986.39	2,002,986.39
Crossings, Fences and Signs	85,720.95	85,720.95
Signals and Interlocking Apparatus	1,138,110.51	1,096,174.41
Telephone and Telegraph Lines	102,935.36	102,935.36
Poles and Fixtures	658,445.59	653,076.56
Underground Conduit	1,901,129.79	1,896,839.80
Distribution System	3,749,721.13	3,718,267.46
Shops, Car Houses and Garages	7,246,348.70	7,172,296.89
Stations, Misc. Buildings and Structures	4,520,127.84	4,527,121.74
Wharves and Docks	232,301.20	232,301.20
Total Way and Structures	\$60,464,690.61	\$60,839,199.65
EQUIPMENT		
Pass. Cars, Buses and Trackless Trolleys	\$21,114,212.33	\$21,220,969.95
Service Equipment	969,731.29	972,118.66
Electric Equip. of Cars and Trackless Trolleys	7,520,968.56	7,658,190.23
Shop Equipment	741,797.91	743,287.16
Furniture, Fare Boxes and Passimeters	264,380.43	259,179.99
Miscellaneous Equipment	781,699.26	718,524.08
Total Equipment	\$31,392,789.78	\$31,572,270.07
POWER		
Power Plant Buildings	\$3,601,316.77	\$3,597,312.57
Sub Station Buildings	640,979.22	640,979.22
Power Plant Equipment	7,021,154.98	7,016,249.87
Sub Station Equipment	2,688,828.65	2,688,828.65
Transmission System	1,608,062.20	1,608,062.20
Total Power	\$15,560,341.82	\$15,551,432.51
GENERAL AND MISCELLANEOUS		
Law Expenditures	\$250.00	\$250.00
Interest during Construction	1,832,301.09	1,832,301.09
Injuries and Damages	7,500.00	7,500.00
Taxes	145,866.54	145,866.54
Miscellaneous	13,184.46*	13,215.00*
Total General and Miscellaneous	\$1,972,733.17	\$1,972,702.63
Unfinished Construction	\$888,819.62	\$204,430.65
TOTAL ROAD AND EQUIPMENT	\$110,279,375.00	\$110,140,035.51

*Credit.

APPENDIX 6

INVESTMENT IN ROAD OWNED AND LEASED DECEMBER 31, 1938

Boston Elevated Railway Company

Road and Equipment	\$110,279,375.00
Miscellaneous Physical Property	815,654.67

Total Boston Elevated Railway Company Investment	\$111,095,029.67
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Leased Lines

Hyde Park Transportation District (City of Boston) .	\$245,931.51
Eastern Mass. St. Ry. Co. (Part Leased)	
Old Colony Lines, West Roxbury .	\$672,847.44
Boston & Northern Lines, Middlesex Fells	
Lines	29,546.01
Expenditures for Additions and Better-	
ments	206,257.37

Total Eastern Mass. St. Ry. Co.	908,650.82
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Total Leased Lines	1,154,582.33
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City of Boston Investment

Boylston Subway	\$11,496,772.78
Cambridge Connection	1,655,304.00
Dorchester Tunnel	12,256,278.41
Dorchester Rapid Transit Extension	11,035,801.04
East Boston Tunnel	7,288,765.90
East Boston Tunnel Extension	2,346,851.71
Tremont Subway	4,669,561.77
Washington Tunnel	7,969,518.69

Total City of Boston Investment	58,718,854.30
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Commonwealth of Massachusetts Investment

Cambridge Subway	\$8,226,759.52
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Total Commonwealth of Massachusetts Investment	8,226,759.52
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TOTAL INVESTMENT IN ROAD OWNED AND LEASED	\$179,195,225.82
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APPENDIX 7 INVESTMENT AND TOTAL INCOME 1897-1938

Year Ended	Total Investment	Total Income	Permanent Investment Per \$1 of Total Income
Sept. 30, 1897	\$25,291,913.22	\$8,719,031.78	\$2.90
Sept. 30, 1898	31,251,811.90	9,257,252.94	3.38
Sept. 30, 1899	33,187,250.79	9,756,136.25	3.40
Sept. 30, 1900	37,793,501.62	10,236,994.49	3.69
Sept. 30, 1901	44,087,939.53	10,869,496.33	4.06
Sept. 30, 1902	46,466,591.31	11,321,030.13	4.10
Sept. 30, 1903	48,398,610.91	12,019,371.26	4.03
Sept. 30, 1904	51,886,524.39	12,436,593.79	4.13
Sept. 30, 1905	57,187,809.61	12,741,569.30	4.49
Sept. 30, 1906	59,873,910.46	13,634,612.49	4.39
Sept. 30, 1907	65,979,896.07	14,011,167.72	4.71
Sept. 30, 1908	70,957,716.76	14,074,696.51	5.04
Sept. 30, 1909	81,592,634.49	14,493,853.13	5.63
June 30, 1911	92,904,910.27	15,980,707.94	5.81
June 30, 1912	101,864,053.69	16,522,542.00	6.17
June 30, 1913	105,019,587.59	16,968,328.33	6.19
June 30, 1914	106,990,919.12	17,785,978.25	6.02
June 30, 1915	113,166,182.04	17,886,549.64	6.33
June 30, 1916	117,116,007.58	18,781,327.74	6.24
Dec. 31, 1917	121,807,319.67	19,818,407.01	6.15
Dec. 31, 1918	134,181,073.47	21,062,692.82	6.37
Dec. 31, 1919	138,117,974.50	29,498,582.82	4.68
Dec. 31, 1920	139,156,058.00	34,031,636.44	4.09
Dec. 31, 1921	141,345,133.42	33,277,025.53	4.25
Dec. 31, 1922	143,345,873.68	32,699,176.37	4.38
Dec. 31, 1923	149,001,108.85	34,096,813.26	4.37
Dec. 31, 1924	155,490,852.91	34,175,319.61	4.54
Dec. 31, 1925	156,474,884.41	34,547,379.61	4.53
Dec. 31, 1926	159,025,141.62	35,481,313.38	4.48
Dec. 31, 1927	163,901,383.91	35,193,410.03	4.67
Dec. 31, 1928	172,480,669.04	34,843,147.51	4.95
Dec. 31, 1929	175,224,091.62	34,096,623.03	5.14
Dec. 31, 1930	175,045,256.41	32,510,721.17	5.38
Dec. 31, 1931	175,553,658.23	29,855,107.30	5.88
Dec. 31, 1932	177,673,869.99	26,428,493.63	6.72
Dec. 31, 1933	176,070,985.04	24,154,373.09	7.29
Dec. 31, 1934	176,108,007.79	24,818,625.48	7.09
Dec. 31, 1935	176,252,570.57	24,926,426.46	7.07
Dec. 31, 1936	178,795,311.31	26,096,155.47	6.85
Dec. 31, 1937	179,031,418.87	25,939,777.15	6.90
Dec. 31, 1938	179,195,225.82	25,383,333.23	7.06

The permanent investment represents the actual money expended for property operated, owned and leased, including subways, tunnels and rapid transit lines owned by the City of Boston and Commonwealth of Massachusetts.

APPENDIX 8

CAPITAL OUTSTANDING DECEMBER 31, 1938

OUTSTANDING CAPITAL STOCK

COMMON STOCK

No. Shares Outstanding	Par Value Shares Outstanding	Net Premium	Amount Realized	Date of Approval by Commission	Yearly Dividend	Dividends Payable
5,000	\$500,000.00	—	\$500,000.00	July 26, 1897		
95,000	9,500,000.00	—	9,500,000.00	July 6, 1900		
33,000	3,300,000.00	\$1,815,000.00	5,115,000.00	Aug. 22, 1902		
66,500	6,650,000.00	695,958.13	7,345,958.13	Dec. 18, 1908		
39,294	3,929,400.00	196,470.00	4,125,870.00	Dec. 6, 1912		
238,794	\$23,879,400.00	\$2,707,428.13	\$26,586,828.13		5%—\$1,193,970.00	{ Jan. 1 Apr. 1 July 1 Oct. 1

OUTSTANDING FUNDED DEBT

Par Value	Rate	Maturity	Net Premium or Discount	Amount Realized	Date of Approval by Commission	Yearly Interest	Co.
\$5,000,000.00	4½ %	Nov. 1, 1941	*\$100,000.00	\$4,900,000.00	Oct. 17, 1911	\$225,000.00	B. E.
4,000,000.00	5 %	Dec. 1, 1942	*80,000.00	3,920,000.00	Dec. 6, 1912	200,000.00	B. E.
1,000,000.00	5 %	Dec. 1, 1942	*78,410.00	921,590.00	May 27, 1914	50,000.00	B. E.
3,286,000.00	5 %	Dec. 1, 1942	*257,655.26	3,028,344.74	Nov. 9, 1915	164,300.00	B. E.
2,600,000.00	5 %	Mar. 1, 1944	112,832.07	2,712,832.07	{ Feb. 4, 1914 April 14, 1914 Aug. 24, 1917	130,000.00	W. E.
570,000.00	7 %	Sept. 1, 1947	399.00	570,399.00	{ Sept. 4, 1917 July 11, 1934	39,900.00	W. E.
\$ 1,581,000.00	4½ %	Aug. 1, 1949	*77,690.34	1,503,309.66	Dec. 4, 1934	71,145.00	B. E.
\$ 6,309,000.00	5 %	Jan. 1, 1960	*139,428.90	6,169,571.10	Feb. 21, 1935	315,450.00	B. E.
\$ 8,500,000.00	5 %	Mar. 1, 1960	69,615.00	8,569,615.00	Nov. 15, 1935	425,000.00	B. E.
\$ 7,711,000.00	4½ %	Dec. 15, 1960	*186,220.65	7,524,779.35	Apr. 15, 1936	346,995.00	B. E.
\$ 3,815,000.00	4½ %	June 1, 1961	*36,242.50	3,778,757.50	Jan. 8, 1937	171,675.00	B. E.
\$ 2,098,000.00	4¼ %	Jan. 1, 1962	*13,595.04	2,084,404.96	Sept. 15, 1937	89,165.00	B. E.
\$ 4,800,000.00	4¾ %	Oct. 1, 1962	*100,420.80	4,699,579.20	Note B	228,000.00	B. E.
\$ 1,500,000.00	6 %	" " "	—	1,500,000.00	Note A	90,000.00	B. E.
\$23,430,917.00	6 %	" " "	—	23,430,917.00		1,405,855.02	B. E.
\$76,200,917.00			*\$886,317.42	\$75,314,099.58		\$3,952,485.02	

*Discount.

A.—Authorized by Section 4, Chapter 333, Acts of 1931.

B.—Auth. by Amendment to Sec. 4, Chap. 333, Acts of 1931, made by Sec. 1, Chap. 299, Acts of 1932.

\$Held by Boston Metropolitan District. (Total \$59,744,917.00—78.4% of total outstanding.)

Average Rate of Return 5.05% on Capital Outstanding. (Bonds 5.25%—Stock 4.49%.)

REVENUE PASSENGERS CARRIED—1897 TO 1938

Year Ended	5c Fares	6 and 6 1/4 c Tickets and Tokens	7c Fares	8c Fares	10c Fares	Pupils' Tickets 5c	Special Car & Special Bus Passengers (See Note)	Total Revenue Passengers	Per Cent Yearly Increase
Sept. 30, 1897 . .	172,554,514	—	—	—	—	—	—	172,554,514	3.41%
Sept. 30, 1898 . .	181,321,295	—	—	—	—	—	—	181,321,295	5.08
Sept. 30, 1899 . .	191,023,224	—	—	—	—	—	—	191,023,224	5.35
Sept. 30, 1900 . .	201,124,710	—	—	—	—	—	—	201,124,710	5.29
Sept. 30, 1901 . .	213,703,983	—	—	—	—	—	—	213,703,983	6.25
Sept. 30, 1902 . .	222,484,811	—	—	—	—	—	—	222,484,811	4.11
Sept. 30, 1903 . .	233,563,578	—	—	—	—	—	—	233,563,578	4.99
Sept. 30, 1904 . .	241,681,945	—	—	—	—	—	—	241,681,945	3.48
Sept. 30, 1905 . .	246,941,776	—	—	—	—	—	—	246,941,776	2.18
Sept. 30, 1906 . .	262,267,240	—	—	—	—	—	—	262,267,240	6.21
Sept. 30, 1907 . .	271,084,815	—	—	—	—	—	—	271,084,815	3.36
Sept. 30, 1908 . .	272,990,357	—	—	—	—	—	142,227	273,132,584	0.76
Sept. 30, 1909 . .	280,825,809	—	—	—	—	—	182,662	281,008,471	2.88
June 30, 1911 . .	304,826,768	—	—	—	—	—	271,897	305,098,665	4.45
June 30, 1912 . .	310,077,600	—	—	—	—	—	232,409	310,310,009	1.71
June 30, 1913 . .	326,148,563	—	—	—	—	—	204,310	326,352,863	5.17
June 30, 1914 . .	342,962,091	—	—	—	—	—	218,958	343,181,049	5.16
June 30, 1915 . .	346,146,183	—	—	—	—	—	170,401	346,316,584	0.91
June 30, 1916 . .	363,303,463	—	—	—	—	—	173,588	363,477,041	4.95
Dec. 31, 1917 . .	380,819,242	—	—	—	—	—	198,096	381,017,338	1.99
Dec. 31, 1918 . .	217,203,899	—	102,619,954	28,739,858	—	—	100,989	348,664,700	8.49*
Dec. 31, 1919 . .	886,034	—	—	173,808,769	146,102,131	3,803,815	97,936	324,758,685	6.86*

REVENUE PASSENGERS CARRIED—1897 TO 1938—Concluded

Year Ended	5c Fares	6 and 6½c Tickets and Tokens	7c Fares	8c Fares	10c Fares	Pupils' Tickets 5c	Special Car & Special Bus Passengers (See Note)	Total Revenue Passengers	Per Cent Yearly Increase
Dec. 31, 1920 . .	3,846,989	—	—	—	326,496,184	5,105,588	77,800	335,526,561	3.32
Dec. 31, 1921 . .	23,915,742	—	—	—	307,624,243	5,606,105	105,990	337,252,080	0.51
Dec. 31, 1922 . .	71,425,347	—	—	—	279,851,313	5,213,664	103,618	356,593,942	5.73
Dec. 31, 1923 . .	94,170,518	—	—	—	283,660,762	4,214,132	104,285	382,149,697	7.17
Dec. 31, 1924 . .	85,218,867	9,549,775	—	—	283,569,003	4,443,228	107,975	382,888,848	0.19
Dec. 31, 1925 . .	3,853,807	55,937,785	—	—	299,107,782	6,003,917	132,995	365,036,286	84.66*
Dec. 31, 1926 . .	1,936,219	58,803,057	—	—	394,378,164	5,971,189	129,772	371,218,401	1.69
Dec. 31, 1927 . .	2,355,682	58,890,542	—	—	299,340,854	6,178,984	172,846	366,938,908	1.15*
Dec. 31, 1928 . .	2,748,742	57,785,211	—	—	295,168,018	6,146,748	161,314	362,005,033	1.34*
Dec. 31, 1929 . .	2,612,980	56,272,366	—	—	288,789,514	6,371,689	168,441	354,214,990	2.15*
Dec. 31, 1930 . .	24,128,763	36,295,851	—	—	275,612,705	6,357,662	304,924	342,694,905	3.25*
Dec. 31, 1931 . .	67,262,611	38,625	—	—	250,941,595	6,330,862	214,884	324,788,577	5.23*
Dec. 31, 1932 . .	64,321,902	7,369	—	—	220,884,856	6,333,016	206,682	291,753,825	10.17*
Dec. 31, 1933 . .	60,309,151	3,204	—	—	201,239,625	6,086,196	257,253	267,845,429	8.19*
Dec. 31, 1934 . .	64,948,176	1,271	—	—	205,903,554	5,756,660	429,514	277,034,175	3.43
Dec. 31, 1935 . .	68,881,593	355	—	—	205,471,568	5,543,664	505,346	280,402,526	1.22
Dec. 31, 1936 . .	77,140,864	72	—	—	212,308,509	6,160,264	570,957	296,180,666	5.63
Dec. 31, 1937 . .	80,477,621	39	—	—	209,458,470	5,935,804	525,559	296,397,493	0.07
Dec. 31, 1938 . .	81,942,657	29	—	—	202,706,547	5,908,326	617,458	291,175,017	1.76*

5c fare Previous to August 1, 1918.
7c fare August 1, 1918.
8c fare December 1, 1918.
Pupils' Tickets (5c) Jan. 1, 1919.
10c fare July 10, 1919 (Incl. Govt. Tickets).
Note:—Previous to 1908 Special Car Passengers included with 5c Fares.
During the years 1922, 1923 and 1924, one passenger making a single journey for which he might pay two five-cent fares was counted as two revenue passengers.
The substitution in November, 1924, of six-cent tickets for five-cent cash fares often resulted in the payment of a ten-cent fare by such a passenger with a consequent reduction in the company's figures of total revenue passengers carried, though the gross passenger revenue for the year 1925 which increased \$371,269.51 would indicate substantially the same number of passengers carried by the railway in 1925 and 1924.
*Bold face Denotes Decreases.

First 5c Fare Line (without transfer) August 23, 1919.
First 5c Local Fare Line March 26, 1921.
6½c Local Fare November 5, 1924.
6½c Local Fare July 1, 1927.
6½c Tokens, Sept. 14, 1929.
6½c Tickets and Tokens discontinued Aug. 31, 1930.
5c Local Fares started Sept. 1, 1930.
10c Duplex Tickets (5c Local Fares) started Nov. 28, 1930.

REVENUE MILEAGE—1898 TO 1938

Year Ended	Rapid Transit Lines	Surface Lines				Trackless Trolleys	Total Surface Lines	Total Passenger Service	Other Revenue Mileage	Total Revenue Mileage
		Two Men Cars	One Man Cars	Buses						
Sept. 30, 1898 . .	—	32,209,150	—	—	—	—	32,209,150	32,209,150	170,295	32,379,445
Sept. 30, 1899 . .	—	34,594,224	—	—	—	—	34,594,224	34,594,224	174,294	34,768,518
Sept. 30, 1900 . .	—	38,171,984	—	—	—	—	38,171,984	38,171,984	181,530	38,353,514
Sept. 30, 1901 . .	1,516,175	42,115,209	—	—	—	—	42,115,209	43,631,384	193,495	43,824,879
Sept. 30, 1902 . .	5,725,455	40,047,381	—	—	—	—	40,047,381	45,772,836	227,163	45,999,999
Sept. 30, 1903 . .	7,086,634	40,390,068	—	—	—	—	40,390,068	47,476,702	211,785	47,688,487
Sept. 30, 1904 . .	7,004,579	41,313,402	—	—	—	—	41,313,402	48,317,981	202,471	48,520,452
Sept. 30, 1905 . .	7,045,174	41,024,230	—	—	—	—	41,024,230	48,069,404	204,218	48,273,622
Sept. 30, 1906 . .	7,718,735	42,337,873	—	—	—	—	42,337,873	50,056,608	224,178	50,280,786
Sept. 30, 1907 . .	7,802,457	44,027,731	—	—	—	—	44,027,731	51,830,188	231,381	52,061,569
Sept. 30, 1908 . .	7,806,503	43,818,640	—	—	—	—	43,818,640	51,625,143	232,746	51,857,889
Sept. 30, 1909 . .	7,295,450	43,599,806	—	—	—	—	43,599,806	50,895,256	232,425	51,127,681
June 30, 1911 . .	8,523,434	45,895,457	—	—	—	—	45,895,457	54,418,891	228,305	54,647,196
June 30, 1912 . .	9,862,316	45,202,162	—	—	—	—	45,202,162	54,564,478	225,695	54,790,173
June 30, 1913 . .	11,385,787	46,118,784	—	—	—	—	46,118,784	57,504,571	279,748	57,784,319
June 30, 1914 . .	11,647,877	45,973,201	—	—	—	—	45,973,201	57,621,078	369,358	57,990,436
June 30, 1915 . .	12,081,986	45,306,117	—	—	—	—	45,306,117	57,388,103	417,592	57,805,695
June 30, 1916 . .	12,920,965	45,415,479	—	—	—	—	45,415,479	58,336,444	235,864	58,572,308
Dec. 31, 1917 . .	14,467,782	44,725,977	—	—	—	—	44,725,977	59,193,759	261,934	59,455,693
Dec. 31, 1918 . .	13,364,229	39,398,056	—	—	—	—	39,398,056	52,762,285	259,531	53,021,816
Dec. 31, 1919 . .	14,189,619	39,373,452	20,451	—	—	—	39,398,903	53,533,522	187,727	53,721,249
Dec. 31, 1920 . .	14,540,474	36,192,621	504,432	—	—	—	36,697,053	51,237,527	122,328	51,359,855
Dec. 31, 1921 . .	13,974,490	33,244,477	2,487,730	—	—	—	35,732,207	49,706,697	97,928	49,804,625

Year Ended	Rapid Transit Lines	Surface Lines					Total Passenger Service	Other Revenue Mileage	Total Revenue Mileage
		Two Men Cars	One Man Cars	Buses	Trackless Trolleys	Total Surface Lines			
Dec. 31, 1922 . .	13,316,094	32,184,135	5,010,900	63,959	—	37,258,994	50,575,088	132,652	50,707,740
Dec. 31, 1923 . .	13,795,114	30,277,855	9,511,305	465,391	—	40,254,551	54,049,665	106,399	54,156,064
Dec. 31, 1924 . .	14,747,699	28,152,492	12,197,587	890,901	—	41,240,980	55,988,679	102,668	56,091,347
Dec. 31, 1925 . .	14,836,656	24,880,686	13,271,296	2,472,456	—	40,624,438	55,461,094	97,032	55,558,126
Dec. 31, 1926 . .	15,104,778	23,653,994	14,419,209	4,717,900	—	42,791,103	57,895,881	47,500	57,943,381
Dec. 31, 1927 . .	15,224,531	20,919,321	15,121,344	5,562,766	—	41,603,431	56,827,962	6,067	56,834,029
Dec. 31, 1928 . .	16,701,106	18,809,991	15,964,148	5,999,879	—	40,774,018	57,475,124	6,168	57,481,292
Dec. 31, 1929 . .	16,924,006	14,686,292	17,930,051	7,138,386	—	39,754,729	56,678,735	6,250	56,684,985
Dec. 31, 1930 . .	16,508,224	11,440,310	20,298,873	7,813,467	—	39,552,650	56,060,874	969	56,061,843
Dec. 31, 1931 . .	15,176,011	10,020,656	19,585,766	8,771,384	—	38,377,806	53,553,817	72	53,553,889
Dec. 31, 1932 . .	14,786,293	7,991,396	19,521,534	8,896,143	—	36,409,073	51,195,366	395	51,195,761
Dec. 31, 1933 . .	12,363,920	3,721,032	20,920,013	9,136,030	—	33,777,075	46,140,995	124	46,141,119
Dec. 31, 1934 . .	12,059,020	3,090,128	20,726,937	9,946,563	—	33,763,628	45,822,648	—	45,822,648
Dec. 31, 1935 . .	11,889,894	2,812,166	21,050,170	10,281,114	—	34,143,450	46,033,344	—	46,033,344
Dec. 31, 1936 . .	11,597,978	2,924,560	21,329,703	10,485,554	154,282	34,894,099	46,492,077	—	46,492,077
Dec. 31, 1937 . .	11,500,186	2,820,228	21,052,216	10,643,257	780,441	35,296,142	46,796,328	—	46,796,328
Dec. 31, 1938 . .	11,155,858	2,669,313	19,506,195	11,032,794	1,434,869	34,643,171	45,799,029	—	45,799,029

RAPID TRANSIT LINES

Elevated, Main Line, Sullivan Sq. to Dudley St.	Started Aug. 10, 1901
Elevated, Atlantic Ave.	Started June 22, 1901
Elevated, Atlantic Ave.	Operation Oct. 1, 1938
Washington St. Tunnel	Opened Nov. 30, 1908
Elevated, Main Line	Extended to Forest Hills, Nov. 22, 1909
Cambridge Subway	Opened Mar. 23, 1912
Cambridge-Dorchester Tunnel	Opened Dec. 15, 1917
Cambridge-Dorchester Tunnel	Extended to Andrew Sta., June 29, 1918
Elevated, Main Line	Extended to Everett Sta., Mar. 15, 1919
Cambridge-Dorchester Tunnel	Extended to Fields Corner, Nov. 5, 1927
Cambridge-Dorchester Tunnel	Extended to Ashmont, Sept. 1, 1928
East Boston Tunnel changed to Rapid Transit Operation,	April 21, 1924
Dorchester Extension High Speed Trolley Line to Mattapan	Opened December 21, 1929
Charles Station	Opened Feb. 27, 1932
Mail Car Operations Discontinued	August 14, 1915.

SURFACE CAR LINES

Tremont St. Subway, Church St. to Park St.	Opened Sept. 1, 1897
Tremont St. Subway, Pleasant St. to Park St.	Opened Oct. 1, 1897
Tremont St. Subway, Park St. to North Station	Opened Sept. 3, 1898
East Boston Tunnel	Opened Dec. 30, 1904
East Cambridge Viaduct	Opened June 1, 1912
Boylston St. Subway	Opened Oct. 3, 1914
Kenmore Station	Opened Oct. 23, 1932
Chelsea-Revere Div. (E. Mass. St. Ry. Co.)	Acquired June 10, 1936

APPENDIX 11

COMPARATIVE DIVISION OF RECEIPTS AND EXPENDITURES FOR YEARS ENDED DEC. 31

	1938	1937	1936	1935	1934
Total Receipts	\$25,383,333.23	\$25,939,777.15	\$26,096,155.47	\$24,926,426.46	\$24,818,625.48
Operating Expenses:					
Wages	12,894,549.68	12,709,180.09	12,346,223.40	11,756,916.62	11,332,549.54
Material and other Items	2,295,707.22	2,119,136.67	2,090,890.27	2,131,401.89	2,024,056.24
Injuries and Damages	668,632.65	594,605.71	676,742.17	577,614.11	484,417.54
Depreciation	2,098,119.60	2,447,321.91	2,448,816.36	2,408,172.92	2,310,454.86
Fuel	842,277.24	840,559.47	847,669.79	791,307.05	743,612.31
Total Operating Expenses	\$18,799,286.39	\$18,710,803.85	\$18,410,341.99	\$17,665,412.59	\$16,895,090.49
Taxes	1,626,769.23	1,669,002.46	1,573,217.91	1,520,923.60	1,407,119.47
Dividends	1,193,970.00	1,193,970.00	1,193,970.00	1,193,970.00	1,193,970.00
Subway, Tunnel and R. T. L. Rents	2,822,426.75	2,822,629.46	2,812,255.07	2,809,087.75	2,796,255.81
Interest on Bonds	3,952,485.02	3,939,114.19	3,862,562.10	3,816,444.04	3,867,092.75
Miscellaneous Items	129,081.78	130,281.38	141,277.41	149,839.71	123,586.71
Total Cost of Service	\$28,524,019.17	\$28,465,801.34	\$27,993,624.48	\$27,155,677.69	\$26,283,115.23
Loss for Year	\$3,140,685.94	\$2,526,024.19	\$1,897,469.01	\$2,229,251.23	\$1,464,489.75

Note:—Profit and Loss Items not included in above.

APPENDIX 12

TRAFFIC STATISTICS, YEARS ENDED DECEMBER 31

	1938	1937	1936	1935
Round trips operated	6,107,492	6,217,978	6,222,871	6,134,988
Passenger revenue	\$24,746,823.03	\$25,339,336.62	\$25,502,416.15	\$24,347,367.76
Passenger revenue per mile (cents) .	54.03c	54.15c	54.85c	52.89c
Passenger revenue per hour	\$5.47	\$5.55	\$5.69	\$5.47
Passenger revenue mileage	45,799,029	46,796,328	46,492,077	46,033,344
Passenger revenue hours	4,523,433	4,560,540	4,479,552	4,450,340
Revenue passengers carried	291,175,017	296,397,493	296,180,666	280,402,526
Revenue passengers carried per mile .	6.36	6.33	6.37	6.09
Revenue passengers carried per hour .	64.37	64.99	66.12	63.01

APPENDIX 13

COMPARATIVE PASSENGER STATISTICS—REVENUE PASSENGERS CARRIED

Year	Week Day Average	Saturday Average	Sunday Average	Holiday Average	Total for Year
1938	878,464	854,214	411,409	522,427	291,175,017
1937	891,844	879,386	420,489	530,056	296,397,493
1936	887,327	876,626	418,647	552,292	296,180,666
1935	843,059	828,781	399,801	521,574	280,402,526
1934	834,409	812,085	397,514	502,981	277,034,175
1933	805,668	794,068	386,439	494,365	267,845,429
1932	870,865	879,000	421,070	504,983	291,753,825
1931	971,487	997,669	460,564	558,262	324,788,577
1930	1,025,036	1,050,111	488,101	590,810	342,694,905
1929	1,049,304	1,123,058	518,093	602,071	354,214,900

APPENDIX 14

RATIO OF MAINTENANCE AND DEPRECIATION TO TOTAL INCOME, PER CENT.

Year Ended	Total Income	Maintenance and Depreciation	Per Cent
December 31, 1938	\$25,383,333.23	\$6,415,127.79	25.27
December 31, 1937	25,939,777.15	6,754,189.56	26.04
December 31, 1936	26,096,155.47	6,505,769.78	24.93
December 31, 1935	24,926,426.46	6,326,658.07	25.38
December 31, 1934	24,818,625.48	6,007,231.01	24.20
December 31, 1933	24,154,373.09	5,899,833.49	24.43
December 31, 1932	26,428,493.63	6,661,106.46	25.20
December 31, 1931	29,855,107.30	7,903,344.74	26.47
December 31, 1930	32,510,721.17	8,311,029.03	25.56
December 31, 1929	34,096,623.03	8,284,093.66	24.29

APPENDIX 15

COMPARATIVE POWER STATISTICS

	1938	1937	1936	1935	1934
Tons of coal burned	119,125	121,749	123,296	122,240	122,635
Pounds of coal per D. C. kilowatt hour	1.338	1.365	1.362	1.359	1.355
Average price of coal per long ton (at boilers)	\$5.11	\$4.89	\$4.80	\$4.53	\$4.34
Net cost of power for car service per kilowatt hour (cents) . .	0.757	0.781	0.753	0.761	0.716
Net cost of power per total car mile (cents)	3.961	4.052	4.037	4.030	3.778
Direct current annual output (kilowatt hours)	199,415,500	199,803,250	202,736,175	201,497,540	202,663,915

APPENDIX 16

1938 LOAN ASSESSMENT ON CITIES AND TOWNS
CHAPTER 159, SPECIAL ACTS 1918, AS AMENDED

<i>Cities and Towns</i>	<i>Per Cent</i>	<i>Amount</i>
Arlington	1.6406	\$27,477.15
Belmont	1.0490	17,568.90
Boston	65.5097	1,097,171.72
Brookline	3.9025	65,359.98
Cambridge	8.5340	142,929.42
Chelsea	1.8535	31,042.85
Everett	2.1942	36,748.97
Malden	3.2036	53,654.64
Medford	3.0915	51,777.16
Milton	.6867	11,501.02
Newton	.6275	10,509.52
Revere	1.3829	23,161.13
Somerville	5.1332	85,972.03
Watertown	1.1911	19,948.82
Totals	100.00%	\$1,674,823.31

Deficit for year ended March 31, 1938.

Based on traffic counts, April 29, 30 and May 1, 2, 1938.

Expense to Comm. of Mass. to finance loan assessment \$1,341.36.

